

TRADE TODAY

TRADE ISSUES AFFECTING AMERICA'S ECONOMY

U.S. Congressman Kevin Brady
Ranking Member, Ways & Means Trade Subcommittee

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AMERICA FALLING BEHIND II

KOREA INITIALS TRADE DEAL WITH EUROPE *Gains Key Advantage over American Companies & Farmers*

The European Union initialed (finalized) a comprehensive trade deal with South Korea on October 15. As a result, businesses and workers in the EU are poised to obtain a significant competitive advantage over U.S. businesses and workers in the South Korean market.

U.S. workers and businesses will be disadvantaged if the EU implements first:

- If the EU FTA is implemented ahead of KORUS, U.S. workers could lose over a billion dollars in exports, according to analysis prepared by the Republican staff of the Ways & Means Committee. U.S. exports of meat products could decline by 62 percent, U.S. exports of dairy products could decline by 57 percent, and U.S. exports of crops and vegetable oils could also experience double-digit declines.
- America was once South Korea's most important trading partner. That's no longer true. China, Japan and Europe have each overtaken the United States. In the competition for new customers, America will fall farther behind if the E.U. agreement goes into effect before the U.S. acts on its agreement with South Korea.

Ironic, isn't it?

- Key provisions in the agreement the U.S. reached with Korea are better for auto and services industries than the ones Europe negotiated. But because the E.U. is moving forward with its agreement while President Obama and Congress refuse to move on ours, American manufacturers, services firms and agriculture exporters will continue to lose Korean customers to Europe.

TRADE FACT: One country in every seven is a European Union member.

THE NUMBERS:

	<u>WORLD</u>	<u>EUROPEAN UNION</u>	<u>EU SHARE</u>
Population	6.8 billion	0.5 billion	7%
Countries	193	27	14%
GDP*	\$70 trillion	\$15 trillion	22%
R&D Spending	\$1.05 trillion	\$270 billion	25%
Exports	\$16.6 trillion	\$6.6 trillion	40%
FDI	\$1.86 trillion	\$0.84 trillion	45%

Source: Democratic Leadership Council